



# Independent Expenditures

The Giant Gorilla in Campaign Finance

California Fair Political Practices Commission • May 2008



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*a report by the*  
**California Fair Political Practices Commission**  
**May 2008**

*Commissioners* • **Chairman Ross Johnson** • **Timothy A. Hodson**  
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# EXECUTIVE SUMMARY

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THE PEOPLE OF CALIFORNIA have repeatedly voted to limit the size of direct contributions to candidates for state office, most recently through Proposition 34 in November 2000. Previously, California voters approved Propositions 68 and 73 in 1988 and Proposition 208 in 1996. Very few provisions of these three measures remain in effect today.

Despite the public's demand to reduce the influence of special interest money in elections, the opposite has occurred, thanks, in part, to an orgy of spending by so-called "independent expenditures," also known as IEs. *The emergence of "independent expenditures" has thwarted the will of the people, dramatically undermined California's campaign finance laws and doubtlessly influenced the outcome of numerous statewide and legislative elections.*

This report summarizes the California Fair Political Practices Commission's extensive study of "independent expenditures" and analyzes the impact of "independent expenditures" on campaigns for elected state offices. In addition, this report provides recommendations the Commission might implement under its current authority in order to provide greater public disclosure of "independent expenditures." The study deals solely with candidates for state offices.

Highlights of the independent expenditure study undertaken by the Commission:

- ✓ Since Proposition 34 took effect on January 1, 2001, through the 2006 election cycle, more than \$88 million was spent on "independent expenditures" benefiting candidates for state office.

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- ✓ \$63 million of the \$88 million spent on “independent expenditures” for legislative and statewide candidates from 2001 through 2006 came from just 25 “independent expenditure” groups.
  - ✓ There was a 6,144% increase in “independent expenditure” spending in legislative elections between 2000 and 2006.
  - ✓ There was a 5,502% increase in “independent expenditure” spending for statewide candidates between 2002 and 2006.
  - ✓ In numerous legislative and state election contests, “independent expenditures” have accounted for more than 50% of the total spent in the campaign.
  - ✓ If the top 25 “independent expenditure” committees had to adhere to the same contribution limits as candidate-controlled committees, there would have been a reduction of \$61,705,919 in special interest money in state elections from 2001 through 2006.
  - ✓ The majority of spending by “independent expenditure” groups is made in primaries with open seats.
  - ✓ “Independent expenditure” committees often make it more difficult to track the true source of spending on behalf of candidates. That’s because “independent expenditure” committees frequently make contributions to other such committees, thus adding an additional layer that obscures the identities of the original donors. Facilitating full disclosure is crucial to ensuring the public’s right to know which interests are funding political campaigns.

Information for this report was obtained from records filed with the Secretary of State’s Office. *“Independent Expenditures: The Giant Gorilla in Campaign Finance”* was prepared by Susie Swatt, Fair Political Practices Commission Special Consultant.

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# INTRODUCTION

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CANDIDATES FOR STATE OFFICE have limits on the size of contributions they may legally accept; however, “independent expenditure” committees have no such limits. “Independent expenditure” committees can raise and spend as much money as they want. Million dollar contributions to “independent expenditure” committees are common as are multi-million dollar expenditures made on behalf of candidates. “Independent expenditure” committees may not legally coordinate with a candidate or his or her campaign. Of course, such coordination would be difficult, if not impossible, to prove.

Here’s the theory behind “independent expenditures.” The people may enact laws limiting direct contributions to candidates in order to avoid the possibility or appearance of undue influence over the candidate or officeholder. But unlimited contributions to “independent expenditures” are okay – the theory goes – because even though the money is being spent to benefit a candidate, it isn’t being given directly to him or her. Therefore – again, according to theory – there is no possibility of undue influence. This theory defies logic. It presumes candidates and officeholders will remain blissfully ignorant of the special interest money that elected them.

**“Because big money independent expenditures unduly influence election outcomes, they inevitably influence the legislative process because quid pro quo or not, legislators can determine whose support they owe their elections to.”**

Derek Cressman, Assistant Director  
of Election Reform, Common Cause

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In its report, “Indecent Disclosure: Public Access to Information at the State Level,” the National Institute on Money in State Politics writes: *“In an effort to limit the increasing costs of campaigns, as well as the potential for corruption in state politics, many states have enacted laws limiting campaign contributions. Experience has shown, however, that when a law limits contributions from one source, loopholes are often found that bring entirely new sources of revenue into existence. Currently, independent expenditures are the largest loophole contributors use to circumvent state limits on direct campaign contributions.”*

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National Institute on  
Money in State Politics

In addition to being able to spend unlimited amounts benefiting favored candidates, there is another reason for the dramatic growth of “independent expenditures.” As Kim Alexander, President of the California Voter Foundation, has observed, there is a growing trend toward concealing the identity of contributors to “independent expenditure” committees from the public. “Independent expenditure” committees make it easier to hide the true source of contributions. The names sound good – Californians for a Better Government, California Alliance for Progress and Education, Alliance for a Better California, and Working Californians. But how are California voters to know who these groups really are? For the average voter, it involves far too much detective work to figure out who is really behind a particular “independent expenditure” committee or effort.

**“As long as interest groups want to influence the government, curbing their spending is like holding back the Pacific Ocean with a chain-link fence.”**

Jack Pitney, Political Science Professor  
at Claremont McKenna College, San  
Jose Mercury News, February 15, 2008

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**This Fair Political Practices Commission study clearly demonstrates the need for increased disclosure related to “independent expenditures.” The public has a right to know who is backing which candidates and how much money is being spent to elect them.**



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# THE “INDEPENDENT EXPENDITURE” DOLLARS

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**THE EXPLOSION of “independent expenditures” has raised the fundraising bar for candidates to succeed. Candidates recognize that direct contributions are no longer sufficient to win an election.**

**As Derek Cressman of Common Cause has pointed out, big money “independent expenditures” have the potential to influence who runs for office in the first place. Mr. Cressman specifically noted the public decision by Reed Hastings, CEO, Netflix, to support Jack O’Connell, Superintendent of Public Instruction, if he runs for governor in 2010:**

**“With one single act of depositing nearly a million dollars in an independent expenditure account to back Jack O’Connell should he run for Governor in 2010, one person—Reed Hastings—has single-handedly made Mr. O’Connell a viable candidate. This does not mean that O’Connell will win, or even that he will necessarily even run, but it does get Mr. O’Connell over the first hurdle of fundraising credibility.”**

**Perhaps for the first time, a contributor has announced to the world more than two years before an election that he will be supporting a specific candidate through “independent expenditures.” This action demonstrates the role that “independent expenditures” are now playing in California’s electoral process.**

**There is no question that the influence of “independent expenditures” is at the highest point ever in the state’s history.**

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Proposition 34's contribution limits for candidates were approved by California voters in November 2000. For legislative candidates, those limits were in effect for the 2002 elections, but for statewide candidates, the limits did not go into effect until after the 2002 elections.

Chart #1 shows how "independent expenditures" have skyrocketed in the past few years.

- In 2000, when there were no contribution limits, "independent expenditure" spending for legislative candidates totaled \$376,000. By 2006, with contribution limits in place, total "independent expenditure" spending soared to \$23.48 million for legislative candidates—a 6,144% increase in just six years.
- In 2002, there were still no limits on direct contributions to candidates for statewide office. The total amount of "independent expenditures" benefiting all statewide candidates in 2002 was \$526,000. By 2006, with contribution limits in place, total "independent expenditure" spending for statewide candidates exploded to \$29.47 million—a 5,502 % increase in only four years.

Since the enactment of Proposition 34 through the 2006 election cycle, *more than \$88 million was spent on "independent expenditures" for legislative and statewide candidates.* A breakdown of the \$88 million shows more than \$48 million spent on legislative candidates and more than \$40 million spent on statewide candidates. In the 2006 elections, roughly \$53 million was spent benefiting legislative and statewide candidates – that's \$53 million in one election cycle alone. And that's only for state candidates – not local candidates and not ballot measure committees.

As the "National Institute on Money in State Politics" pointed out in a report last August: *"With contribution limits in place in California, independent expenditures provided another vehicle for special interests to influence the outcome of the elections."*

# CHART #1

## “Independent Expenditures” Spent Since the Enactment of Proposition 34

LEGISLATIVE “INDEPENDENT EXPENDITURES”					
	2001 – 2002	2003	2004	2005-2006	TOTAL
Assembly	\$6,675,000		\$12,500,000	\$12,450,000	\$31,625,000
Senate	\$1,770,000		\$3,600,000	\$11,030,000	\$16,400,000
	<b>\$8,445,000</b>		<b>\$16,100,000</b>	<b>\$23,480,000</b>	<b>\$48,025,000</b>

“INDEPENDENT EXPENDITURES” FOR STATEWIDE CANDIDATES					
	2001 – 2002	2003 (Recall Election)	2004	2005-2006	TOTAL
Governor		\$10,588,000		\$19,800,000	
Lt. Governor				\$2,500,000	
Secretary of State				\$397,000	
Treasurer				\$64,000	
Controller				\$5,976,500	
Attorney General				\$106,000	
Sup. of Public Instruction				\$22,000	
Board of Equalization				\$460,000	
Insurance Commissioner				\$150,000	
		<b>\$10,588,000</b>		<b>\$29,475,500</b>	<b>\$40,063,500</b>

<b>TOTAL IE MONEY SPENT</b>	<b>\$88,088,500</b>
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## THE 10 WHO SPENT \$42 MILLION ON “INDEPENDENT EXPENDITURES”

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AS NOTED PREVIOUSLY, \$88 million was spent on “independent expenditures” since the enactment of Proposition 34 in 2001 through the 2006 election cycle. This section of the report looks at the 10 largest “independent expenditure” committees. The Top 10 committees accounted for \$42 million of the \$88 million spent on “independent expenditures” benefiting legislative and statewide candidates.

**#1 Californians for a Better Government, A Coalition of Firefighters, Deputy Sheriffs, Teachers, Home Builders and Developers (ID #1285498)**

Californians for a Better Government only participated in the 2006 Democratic gubernatorial primary election. All \$9,855,582 spent by the committee was for one candidate – California State Treasurer Phil Angelides. More than 80% of the committee’s contributions came from Angelo Tsakopoulos and Eleni Tsakopoulos-Kounalakis. Other contributions came from the California Teachers Association and the Professional Firefighters.

**#2 Alliance for a Better California, Educators, Firefighters, School Employees, Health Care Givers and Labor Organizations (ID #1273998)**

Alliance for a Better California spent \$5,245,109 on “independent expenditures” in the 2006 general election supporting California State Treasurer



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**Phil Angelides, the Democratic nominee for Governor, and opposing Republican Governor Arnold Schwarzenegger. Contributors to the Alliance for a Better California included: California Teachers Association (\$2,750,000), California State Council of Service Employees Committee (\$1,000,000) and SEIU Local 1000 – California State Employees Association (\$1,000,000).**

**#3 First Americans for a Better California Independent Expenditure Committee (ID #1257891)**

**First Americans for a Better California only participated in the gubernatorial recall election in 2003. The committee spent all of its money supporting Lt. Governor Cruz Bustamante for Governor. The total spent was \$4,256,754. All of the money was contributed by the Pechanga Band of Luiseno Indians, except for \$400,000 from the Sycuan Band of the Kumeyaay Nation.**

**#4 JOBS PAC – A Bi-partisan Coalition of California Employers (ID #911819)**

**JOBS PAC, sponsored by the California Chamber of Commerce, spent a total of \$3,900,501 on “independent expenditures” for legislative candidates in the 2001-02, 2003-04 and 2005-06 election cycles. “Independent expenditures” were made in 20 races – supporting Democratic candidates in 13 primary elections and Republican candidates in seven general elections. The average expenditure per contest was just under \$200,000. The largest contributors to JOBS PAC included ChevronTexaco Corporation (\$309,800), PG&E Corporation (\$190,000), and Ameriquest Capital Corporation (\$177,500).**

**#5 California Correctional Peace Officers Association (CCPOA) Independent Expenditure Committee (ID #902202)**

**CCPOA spent a total \$3,536,698 in the 2001-02, 2003-04 and 2005-06 election cycles. “Independent expenditures” were made on behalf of candidates in both primary and general elections. CCPOA supported 18 Democratic candidates, 12 Republican candidates and one Libertarian candidate. The average expenditure per contest was \$114,087.**

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**#6 Morongo Band of Mission Indians Native American Rights  
PAC (ID #494203)**

The Morongo Band of Mission Indians participated in all three election cycles. In 2001-02, they supported a single legislative candidate – Pedro Carrillo, in the 46th Assembly District Democratic primary. In the 2003 gubernatorial recall election, they supported both Senator Tom McClintock (\$2,499,509) and Lt. Governor Cruz Bustamante (\$475,000) for Governor. In 2006, they supported Board of Equalization Member John Chiang for Controller (\$336,812). Total “independent expenditures” were \$3,378,853, making the average expenditure per contest \$844,713.

**#7 Strengthening Our Lives Through Education, Community  
Action & Civic Participation, A Coalition of Labor  
Organizations – Candidate PAC (ID #1285612)**

Strengthening Our Lives Through Education spent \$3,306,944 on “independent expenditures” in the 2006 elections in six legislative and three statewide contests. In the Governor’s race, the committee spent \$1,521,677 to support California State Treasurer Phil Angelides, the Democratic nominee, and to oppose Republican Governor Schwarzenegger. For Lt. Governor, \$372,619 to support Insurance Commissioner John Garamendi, the Democratic nominee, and oppose Senator Tom McClintock, the Republican nominee. For Controller, \$372,619 to support Board of Equalization Member John Chiang, the Democratic nominee, and oppose former Assemblyman Tony Strickland, the Republican nominee. Funding for the committee primarily came from various committees of the California State Council of Service Employees (almost \$2.5 million). Other key contributors included the SEIU Local 1000 California State Employees Association (\$540,000) and SEIU UNITED Healthcare Workers West PAC (\$271,000). The average expenditure per race was \$367,438.

**#8 Team 2006, Sponsored by California Sovereign Indian  
Nations (ID #1291537)**

Team 2006 participated in the 2006 general elections by supporting eight legislative candidates (five Republicans and three Democrats) and former Assembly-

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man Tony Strickland, the Republican nominee for Controller. The total spent on “independent expenditures” was \$3,093,391, with \$960,000 spent for Strickland and \$2.13 million spent in the legislative races. The average expenditure in the eight legislative races was just over \$265,000. Contributors to Team 2006 included Sycuan Band of the Kumeyaay Nation, Agua Caliente Band of Cahuilla Indians and Pechanga Band of Luiseno Indians.

**#9 California Alliance for Progress and Education, An Alliance of Professionals, Employers and Small Business (ID #1283921)**

The California Alliance for Progress and Education only participated in the 2006 elections. The total spent on “independent expenditures” was \$2,953,948 in 12 legislative contests, an average of almost \$250,000 per race. The largest contributors were the California Realtors (California Real Estate Independent Expenditure Committee and the California Real Estate Political Action Committee), which contributed \$1,210,000, the California Dental Association Independent Expenditure PAC, which contributed \$1,000,000, and Farmers and Agents Political Action Committee, which contributed \$344,500.

**#10 Working Californians (ID #1288733)**

Working Californians spent a total of \$2,637,860 on “independent expenditures” in the 2006 general election. The committee participated in two contests – supporting Board of Equalization Member John Chiang for Controller and California State Treasurer Phil Angelides for Governor, an average of \$1,318,930 per race. The three top contributors to Working Californians were: UNITE HERE TIP State and Local Fund (\$450,000), Service Employees International Union (\$400,000), and California State Council of Service Employees Political Committee (\$300,000).

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# THE NEXT 15

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**THE COMMITTEES IDENTIFIED in this section round out the Top 25 “independent expenditure” committees. “Independent expenditure” spending by these 25 committees in the 2001-02, 2003-04 and 2005-06 election cycles totaled \$63,209,719. That means more than 70% of the total amount spent on “independent expenditures” for statewide and legislative candidates came from just 25 committees.**

**#11 Opportunity PAC – A Coalition of Educators, Health Care Givers, Faculty Members and Other School Employees (ID #980020)**

**In the last three election cycles, Opportunity PAC spent \$2,567,764 on “independent expenditures.” It participated in 12 legislative campaigns, making average expenditures per contest of \$213,980. Major contributions to the committee came from the California State Council of Service Employees (\$1,280,000) and the California Teachers Association/Association for Better Citizenship (\$765,000).**

**#12 California Dental Association (California Dental Association Independent Expenditure PAC ID #1233321 and California Dental Political Action Committee – Small Contributor ID #742855)**

**The California Dental Association made “independent expenditures” in 25 legislative races since January 1, 2001, from two different committees. “Independent expenditures” totaled \$2,268,164, with \$1,711,943 coming from the California Dental Association Independent Expenditure PAC and \$556,221**



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from the California Dental Political Action Committee – Small Contributor. “Independent expenditures” averaged \$90,727 per race.

**#13 California Alliance, A Coalition of Consumer Attorneys, Conservationists and Nurses (ID #1240727)**

California Alliance participated in 18 legislative campaigns in the last three election cycles. “Independent expenditures” benefiting candidates totaled \$2,210,112, making the average expenditure \$122,784 per contest. The vast majority of the money raised by the California Alliance came from the Consumer Attorneys Independent Campaign Committee (\$1.7 million), with the California Nurses Association contributing \$259,000, and the California League of Conservation Voters contributing \$250,000.

**#14 California Realtors (California Real Estate Independent Expenditure Committee ID #963026 and California Real Estate Political Action Committee ID #890106)**

California Realtors made “independent expenditures” in 28 legislative races from two different committees in the 2001-02, 2003-04 and the 2005-06 election cycles. The total amount of “independent expenditures” was \$2,155,617, with \$1,859,665 coming from the California Real Estate Independent Expenditure Committee and \$295,952 coming from the California Real Estate Political Action Committee. The average expenditure per race was \$76,986.

**#15 Alliance for California’s Tomorrow, A California Business and Labor Coalition (ID #1262979)**

“Independent expenditures” made by the Alliance for California’s Tomorrow totaled \$1,551,466. The committee participated in five legislative and two statewide races in the 2003-04 and the 2005-06 election cycles, putting the average expenditure per contest at \$221,638. The largest “independent expenditure” was for \$1 million on behalf of former Assemblyman Tony Strickland in the 2006 Controller’s general election race. Key contributors to the committee

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included Intuit of San Diego (\$1 million), Sempra Energy (\$175,000), and ACC Capital Holdings Corporation of Orange County (\$125,000).

**#16 Californians for Civil Justice Reform PAC, Sponsored by  
The Civil Justice Association of California (ID #821251)**

Californians for Civil Justice Reform participated in eight legislative races in the past three election cycles. “Independent expenditures” totaled \$1,525,979. The largest expenditures were in the 10<sup>th</sup> Senate District for \$576,654 and the 30<sup>th</sup> Senate District for \$404,455 in the 2006 Democratic primaries. The average expenditure was \$190,747 per contest. The three largest contributors were 21<sup>st</sup> Century Insurance (\$166,900), the California Real Estate Political Action Committee (\$149,900), and Pfizer Pharmaceuticals (\$149,900).

**#17 Taxpayers for Responsible Government, A Coalition of  
Professional Engineers, Firefighters, Police and School  
and State Employees (ID #1291452)**

Taxpayers for Responsible Government only participated in the 2006 general election Lt. Governor’s race. “Independent expenditures” totaled \$1,350,861, with half the expenditures used to support Insurance Commissioner John Garamendi, the Democratic nominee for Lt. Governor, and the other half used to oppose Senator Tom McClintock, the Republican nominee for Lt. Governor. The three largest contributors to the committee were the Professional Engineers in California Government (\$502,500), Political Action for Classified Employees of the California School Employees Association (\$250,000), and Service Employees International Union Local 1000 (\$200,000).

**#18 CAUSE (California Union of Safety Employees PAC –  
Independent Expenditure Committee ID #970375 and  
CAUSE Law Enforcement Independent Expenditure  
Committee ID #1254179)**

CAUSE made “independent expenditures” totaling \$1,184,030 through two committees – California Union of Safety Employees PAC – Independent Expen-

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diture Committee and CAUSE Law Enforcement Independent Expenditure Committee. The group participated in 27 legislative races and two statewide contests since January 1, 2001, including Republican and Democratic primaries and general elections. The two statewide candidates supported in the general election of 2006 were Insurance Commissioner John Garamendi, the Democratic nominee for Lt. Governor, and Oakland Mayor Jerry Brown, the Democratic nominee for Attorney General. The average expenditure per race was \$40,828.

**#19 Californians United (ID #1241102)**

Californians United “independent expenditures” totaled \$1,056,216 in 13 legislative and five statewide races since January 1, 2001, averaging \$58,678 per contest. The largest contributors to Californians United were Southern California Edison (\$114,000), EdVoice Independent Expenditure Committee (\$75,000) and Gary Rogers, the Chief Executive Officer of Dreyers Ice Cream (\$75,000).

**#20 Peace Officers Research Association of California Political Action Committee (PORAC) (ID #810830)**

PORAC made “independent expenditures” totaling \$985,500 in 82 legislative and statewide races from 2001 to 2006. The committee was involved in primary and general elections, supporting both Democratic and Republican candidates. The average expenditure was \$12,012 per contest.

**#21 Community Civic Participation Project, Sponsored by Labor Organizations (ID #1258279)**

The Community Civic Participation Project only participated in the gubernatorial recall election in 2003. The Committee spent \$980,888 on “independent expenditures” on behalf of Lt. Governor Cruz Bustamante, seeking to replace Governor Gray Davis. The largest contributors to the committee included the California State Council of Services Employees (\$835,000), Hotel Employees and Restaurant Employees International Union (\$700,000), Hotel Employees

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and Restaurant Employees International Union T.I.P. Educational Fund (\$300,000), and the California Teachers Association Issues PAC (\$300,000).

**#22 California State Council of Service Employees Political Committee (ID #1258324)**

The California State Council of Service Employees Political Committee spent \$883,418 on “independent expenditures” participating in three statewide general election races in 2006. The committee supported California State Treasurer Phil Angelides, the Democratic nominee for Governor and opposed Republican Governor Arnold Schwarzenegger. It also supported Insurance Commissioner John Garamendi, the Democratic nominee for Lt. Governor and Board of Equalization Member John Chiang, the Democratic nominee for Controller. The average expenditure per race was \$294,472. The vast majority of the contributions received by the committee came from the various committees of the Service Employees International Union.

**#23 Moderate Democrats for California (ID #1245445)**

Moderate Democrats for California participated in seven Democratic primary legislative races in 2004. The committee spent a total of \$794,866 on “independent expenditures,” averaging \$113,552 per contest. The two largest contributors to Moderate Democrats for California were 21<sup>st</sup> Century Insurance (\$230,000) and PG&E (\$110,000).

**#24 Fair Public Policy Coalition (Fair Public Policy Coalition, A Committee of Horse Racing Companies ID #1271166 and Fair Public Policy Coalition, A Committee of Horse Racing Companies, including Bay Meadows Land Co., LLC and its Affiliates ID #1291660)**

The Fair Public Policy Coalition made “independent expenditures” in the general elections in 2004 and 2006 from two different committees – one called “A Committee of Horse Racing Companies” and a second called “A Committee of Horse Racing Companies, including Bay Meadows Land Co., LLC and its Af-



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filiates.” The Coalition participated in a total of 10 legislative races in 2004 and 2006 and seven statewide races in 2006. The total spent on the “independent expenditures” was \$779,724. The average expenditure per race was \$45,866. All of the contributions to the Coalition came from horse racing interests — \$450,000 each from Bay Meadows and Churchill Downs, \$300,000 from Los Alamitos Race Course, and \$200,000 each from Los Angeles Turf Club and Pacific Racing Association.

**#25 Cooperative of American Physicians – Mutual Protection Trust (CAP-MPT) State PAC (ID #760951)**

The Cooperative of American Physicians participated in primary and general election races in 2003-04 and 2005-06, spending a total of \$749,974 on “independent expenditures.” The average expenditure per race was \$31,249. The committee supported 24 legislative candidates, including 16 Democrats and eight Republicans.

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## WHO FUNDS THE “INDEPENDENT EXPENDITURE” COMMITTEES?



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**MORE THAN 70%** of the \$88 million spent on “independent expenditures” between 2001 and 2006 came from just 25 committees or groups. So, who funded these Top 25?

Nearly 60% of all the money spent by the Top 25 “independent expenditure” committees (\$37,317,622) came from just 10 contributors. While Chart #2 provides more detailed information, all of the money contributed by the Top 10 between 2001 and 2006 came from Indian tribes, developers, labor unions and consumer attorneys.

It is important to note that the Top 10 contributor list only shows the money these entities contributed to the Top 25 Independent Expenditure groups. It does not include “independent expenditures” that such entities made *separately* for specific candidates or contributions to “independent expenditure” committees that did not make the Top 25 list.

See Appendix B for the Top 10’s total “independent expenditures.”

# CHART #2

## Who's Funding the Top 25 "Independent Expenditure" Committees

LARGEST CONTRIBUTORS	AMOUNT	CONTRIBUTIONS TO TOP 25 IE COMMITTEES	AMOUNT	YEAR
#1 Pechanga Band of Luiseno Indians (ID #498071)	\$6,182,600	First Americans for a Better California	\$5,382,600	2003
		Team 2006	\$800,000	2006
#2 Angelo K. Tsakopoulos	\$6,130,000	Californians for a Better Government	\$6,130,000	2006
#3 CA Teachers Association/ Association for Better Citizenship (ID #741941)	\$4,840,000	Alliance for a Better California	\$2,750,000	2006
		Californians for a Better Government	\$950,000	2006
		Opportunity PAC	\$315,000	2004
		Opportunity PAC	\$300,000	2006
		Taxpayers for Responsible Government	\$150,000	2006
		Working Californians	\$125,000	2006
		Strengthening Our Lives Through Education	\$100,000	2006
		Opportunity PAC	\$100,000	2002
		Opportunity PAC	\$50,000	2001
#4 CA State Council of Service Employees Political Committee (ID #1258324)	\$3,590,000	Alliance for a Better California	\$1,025,000	2006
		Strengthening Our Lives Through Education	\$1,330,000	2006
		Community Civic Participation Project	\$835,000	2003
		Working Californians	\$300,000	2006
		Opportunity PAC	\$100,000	2004
#5 CCPOA	\$3,536,698	CCPOA IE Committee	\$3,536,698	2001-
#6 Morongo Band of Mission Indians Native American Rights	\$3,378,853	Morongo Band of Mission Indians	\$3,378,853	2001-2006
#7 CA State Council of Service Employees Small Contributor Committee (ID #831628)	\$3,086,150	Strengthening Our Lives Through Education	\$1,100,000	2006
		Opportunity PAC	\$780,000	2004
		CA State Council of Service Employees	\$477,000	2006
		Opportunity PAC	\$300,000	2006
		CA State Council of Service Employees	\$229,150	2003-
		Opportunity PAC	\$200,000	2002
#8 Eleni-Tsakopoulos	\$2,570,000	Californians for a Better Government	\$2,570,000	2006
#9 Service Employees International Union Local 1000 Candidate PAC (ID #1273063)	\$2,270,000	Alliance for a Better California	\$1,000,000	2006
		Strengthening Our Lives Through Education	\$540,000	2006
		Working Californians	\$400,000	2006
		Taxpayers for Responsible Government	\$200,000	2006
		Opportunity PAC	\$130,000	2006
#10 Consumer Attorneys Independent Campaign (ID #962871)	\$1,733,321	CA Alliance	\$1,708,321	2006
		Opportunity PAC	\$25,000	2004
<b>TOTAL</b>	<b>\$37,317,622</b>			

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## CAMPAIGNS WHERE “INDEPENDENT EXPENDITURES” SPENT MORE THAN THE CANDIDATE

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**“INDEPENDENT EXPENDITURES” CAN PLAY a dominant role in individual races. In descending order, this section examines 13 legislative and statewide races since January 1, 2001, in which “independent expenditures” accounted for more than 50% of the total campaign spending. Interestingly, all of the contests noted in this section were in “open” seats, where there were no incumbents running for re-election.**

- ✓ **The 34<sup>th</sup> Senate District 2006 Democratic primary between Orange County Supervisor Lou Correa and Assemblyman Tom Umberg.**
- ✓ **The 69<sup>th</sup> Assembly District 2004 Democratic primary between former Assemblyman Tom Umberg and Santa Ana City Councilwoman Claudia Alavarez.**
- ✓ **The 69<sup>th</sup> Assembly District 2006 Democratic primary among Santa Ana City Council Members Jose Solorio and Claudia Alvarez and businessman Armando De La Libertad.**
- ✓ **The 32<sup>nd</sup> Senate District 2006 Democratic primary between Assembly Members Gloria Negrete-McLeod and Joe Baca, Jr.**
- ✓ **The Controller’s 2006 general election between Board of Equalization Member John Chiang (D) and former Assemblyman Tony Strickland (R).**



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- ✓ **The 76<sup>th</sup> Assembly District 2004 general election between community college professor Lori Saldaña (D) and former Assemblywoman Tricia Hunter (R).**
  - ✓ **The 10<sup>th</sup> Senate District 2006 Democratic primary among former Assembly Members Ellen Corbett and John Dutra and Assemblyman Johan Klehs.**
  - ✓ **The 11<sup>th</sup> Assembly District 2006 Democratic primary between Contra Costa Supervisor Mark DeSaulnier and Pittsburg School Board Trustee Laura Canciamilla.**
  - ✓ **The 30<sup>th</sup> Senate District 2006 Democratic primary between Assemblymen Ron Calderon and Rudy Bermudez.**
  - ✓ **The 63<sup>rd</sup> Assembly District 2004 Republican primary between orthodontist Bill Emmerson and former San Bernardino County Republican Party Chairman Elia Pirozzi.**
  - ✓ **The 35<sup>th</sup> Assembly District 2004 general election between California Coastal Commissioner Pedro Nava (D) and educator Bob Pohl (R).**
  - ✓ **The 43<sup>rd</sup> Assembly District 2006 Democratic primary between Burbank Board of Education Member Paul Krekorian and Glendale City Councilman Frank Quintero.**

# SPENDING BREAKDOWN

## 34<sup>th</sup> Senate District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Lou Correa	\$304,815	\$1,142,053	\$1,446,868	79%
Tom Umberg	\$476,592	\$68,926	\$545,518	13%
<b>TOTALS</b>	<b>\$781,407</b>	<b>\$1,210,979</b>	<b>\$1,992,386</b>	

- The 2006 Democratic primary for the open 34<sup>th</sup> Senate District set a record for “independent expenditures” with almost 79% of the total spending on Lou Correa’s campaign being by “independent expenditures.”
- The largest “independent expenditure” on Correa’s behalf was made by the California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$326,567. In addition, Correa benefited from \$289,274 in “independent expenditures” from Californians for Jobs and a Strong Economy. This group is funded by major business interests throughout California, with \$200,000 coming from 21<sup>st</sup> Century Insurance.
- All of the “independent expenditures” made on Tom Umberg’s behalf were made by Nurses and Working Families for Better Healthcare, sponsored by the California Nurses Association.
- Umberg outspent Correa in contributions raised under the Proposition 34 limits, but received only a fraction of the independent expenditures made in this race.
- Correa won the Democratic nomination 59.8% to Umberg’s 40.2%.

# SPENDING BREAKDOWN

## 69<sup>th</sup> Assembly District 2004 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Claudia Alvarez	\$289,304	\$781,303	\$1,070,607	73%
Tom Umberg	\$749,908	\$204,388	\$954,296	21%
<b>TOTALS</b>	<b>\$1,039,212</b>	<b>\$985,691</b>	<b>\$2,024,903</b>	

- Nearly \$1 million was spent on “independent expenditures” in the 2004 Democratic primary for the open 69<sup>th</sup> Assembly seat.
- Claudia Alvarez benefited from almost four times more “independent expenditures” than did Tom Umberg.
- The two largest “independent expenditures” for Alvarez were made by JOBS PAC, sponsored by the California Chamber of Commerce, for \$230,725, and Moderate Democrats for California for \$165,490.
- Almost 95% of the “independent expenditures” spent on Umberg’s behalf were made by the California Alliance, a coalition of consumer attorneys, conservationists and nurses \$193,388.
- In a close race, Umberg beat Alvarez 51.1% to 48.9%.

# SPENDING BREAKDOWN

## 69<sup>th</sup> Assembly District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDI- DATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Claudia Alvarez	\$262,433	\$579,784	\$842,217	69%
Jose Solorio	\$359,077	\$416,411	\$775,488	54%
Armando De La Libertad	\$172,697	\$0	\$172,697	0%
<b>TOTALS</b>	<b>\$794,207</b>	<b>\$996,195</b>	<b>\$1,790,402</b>	

- In the three-way Democratic primary election for the open 69<sup>th</sup> Assembly District in 2006, 69% of the total spending for Claudia Alvarez came from “independent expenditures,” while for Jose Solorio that amount was 54%.
- The largest “independent expenditure” made on behalf of Alvarez was from *JOBS PAC*, sponsored by the California Chamber of Commerce, which spent \$296,242.
- For Solorio, the largest independent expenditure on his behalf was made by from *Strengthening Our Lives Through Education, Community Action and Civic Participation*, a coalition of labor organizations, for \$379,192.
- Solorio received 52.4% of the vote to 31.9% for Alvarez and 15.7% for Armando De La Libertad.

# SPENDING BREAKDOWN

## 32<sup>nd</sup> Senate District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Gloria Negrete -McLeod	\$582,392	\$1,233,326	\$1,815,718	68%
Joe Baca, Jr.	\$621,766	\$0	\$621,766	0%
<b>TOTALS</b>	<b>\$1,204,158</b>	<b>\$1,233,326</b>	<b>\$2,437,484</b>	

- Almost 68% of the total amount spent on Gloria Negrete-McLeod's campaign in the Democratic primary in the open 32<sup>nd</sup> Senate District, came from "independent expenditures."
- The largest expenditure on Negrete-McLeod's behalf was made by the California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$278,845. In addition, there were "independent expenditures" made by Teachers United with Firefighters and Correctional Officers Independent Expenditure Committee for \$268,478.
- Joe Baca, Jr. outspent Negrete-McLeod with direct contributions raised under the Proposition 34 limits, but did not benefit from any "independent expenditures."
- Negrete-McLeod won the Democratic nomination over Baca, 61.4% to 38.6%.

# SPENDING BREAKDOWN

## State Controller 2006 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
John Chiang (Dem)	\$1,918,069	\$3,530,381	\$5,448,450	65%
Tony Strickland (Rep)	\$1,258,742	\$2,093,638	\$3,352,380	62%
<b>TOTALS</b>	<b>\$3,176,811</b>	<b>\$5,624,019</b>	<b>\$8,800,830</b>	

- The open 2006 general election race for State Controller had the highest percentage of “independent expenditures” of any state-wide contests.
- For every dollar spent by John Chiang’s campaign in the general election, “independent expenditures” spent \$1.84.
- For every dollar spent by Tony Strickland’s campaign, “independent expenditures” spent \$1.66.
- The largest “independent expenditure” on Chiang’s behalf was made by Working Californians, primarily funded by labor unions, for \$2,221,919.
- The largest “independent expenditures” on Strickland’s behalf were made by the Alliance for California’s Tomorrow, a coalition of business and labor interests, for \$1,000,000, and Team 2006, sponsored by Indian gaming tribes, for \$959,000.
- Chiang was elected Controller with 50.7% of the vote to Strickland’s 40.2%.



# SPENDING BREAKDOWN

## 76th Assembly District 2004 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Tricia Hunter (Rep)	\$548,297	\$906,145	\$1,454,442	62%
Lori Saldaña (Dem)	\$1,680,117	\$24,108	\$1,704,225	1%
<b>TOTALS</b>	<b>\$2,228,414</b>	<b>\$930,253</b>	<b>\$3,158,667</b>	

- More than 97% of the “independent expenditures” in the 2004 general election for the open 76<sup>th</sup> Assembly District were made on behalf of the Republican nominee, Tricia Hunter.
- The two largest “independent expenditures” on behalf of Hunter were made by *JOBS PAC*, sponsored by the California Chamber of Commerce, for *\$487,363*, and the *California Dental Association Independent Expenditure PAC* for *\$212,108*.
- While Lori Saldaña benefited from far less in “independent expenditures,” she outspent Hunter by three-to-one with direct contributions raised under the Proposition 34 limits.
- Saldaña won the race 54.2% to 41.3%.

# SPENDING BREAKDOWN

## 10<sup>th</sup> Senate District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
John Dutra	\$1,145,315	\$1,778,336	\$2,923,651	61%
Ellen Corbett	\$594,225	\$468,185	\$1,062,410	44%
Johan Klehs	\$723,953	\$43,015	\$766,968	6%
<b>TOTALS</b>	<b>\$2,463,493</b>	<b>\$2,289,536</b>	<b>\$4,753,029</b>	

- More than \$2,000,000 was spent on “independent expenditures” for the three candidates in the hotly contested 2006 Democratic primary for the open 10<sup>th</sup> Senate District.
- Almost 40% of the “independent expenditures” on John Dutra’s behalf were made by the California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$711,314. In addition, Californians for Civil Justice Reform PAC, funded by large business interests, including insurance companies and realtors, made “independent expenditures” totaling \$576,654 on Dutra’s behalf.
- The largest “independent expenditure” on Ellen Corbett’s behalf was made by California Alliance, a coalition of consumer attorneys, conservationists and nurses, for \$398,978.
- All of the “independent expenditures” benefiting Johan Klehs were made by Leaders for an Effective Government, whose main contributors included labor unions and realtors.
- Corbett won the three-way primary election with 39.1% of the vote. Klehs received 31% and Dutra 29.9%.

# SPENDING BREAKDOWN

## 11<sup>th</sup> Assembly District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Laura Canciamilla	\$252,632	\$348,055	\$600,687	58%
Mark DeSaulnier	\$553,718	\$270,334	\$824,052	33%
<b>TOTALS</b>	<b>\$806,350</b>	<b>\$618,389</b>	<b>\$1,424,739</b>	

- Mark DeSaulnier and Laura Canciamilla were the top two Democratic candidates in the spirited race for the 2006 primary in the open 11<sup>th</sup> Assembly District.
- The largest “independent expenditure” for DeSaulnier was \$232,262 made by “Working Families for Mark DeSaulnier.” This committee was primarily funded by labor unions and the League of Conservation Voters. It was only in existence during the 2006 election cycle and only made “independent expenditures” on behalf of DeSaulnier.
- The largest “independent expenditure” on Canciamilla’s behalf was made by JOBS PAC, sponsored by the California Chamber of Commerce, for \$288,758.
- DeSaulnier won the Democratic nomination over Canciamilla 51.7% to 39.2%.

# SPENDING BREAKDOWN

## 30<sup>th</sup> Senate District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Ron Calderon	\$724,906	\$905,571	\$1,630,477	56%
Rudy Bermudez	\$703,017	\$717,777	\$1,420,794	51%
<b>TOTALS</b>	<b>\$1,427,923</b>	<b>\$1,623,348</b>	<b>\$3,051,271</b>	

- In one of the closest races in the state in 2006, Ron Calderon and Rudy Bermudez faced one another in the Democratic primary in the open 30<sup>th</sup> Senate District.
- Bermudez benefited from major “independent expenditures” made by the California Correctional Peace Officers Association Independent Expenditure Committee for \$352,507, and Minorities in Law Enforcement Independent Expenditure Committee for \$253,398.
- Calderon benefited from large “independent expenditures” made by California Alliance for Progress and Education, funded by realtors, dentists and insurance companies, for \$454,280, and Californians for Civil Justice Reform, funded by large business interests, including insurance companies and realtors, for \$404,455.
- Calderon won 50.4% to 49.6% for Bermudez.

# SPENDING BREAKDOWN

## 63<sup>rd</sup> Assembly District 2004 Republican Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Bill Emmerson	\$447,493	\$521,886	\$969,379	54%
Elia Pirozzi	\$350,527	\$87,780	\$438,307	20%
<b>TOTALS</b>	<b>\$798,020</b>	<b>\$609,666</b>	<b>\$1,407,686</b>	

- The 2004 Republican primary for the open 63<sup>rd</sup> Assembly District was an extremely close race between the two top Republican candidates, Bill Emmerson and Elia Pirozzi.
- Emmerson received the lion's share of the "independent expenditures" in the race, with 83% (\$435,265) of those expenditures made by the California Dental Association Independent Expenditure PAC.
- The largest "independent expenditure" made on Pirozzi's behalf was for just under \$40,000 from the Inland Empire Citizens Committee.
- Emmerson won the Republican nomination with 29.4% of the vote to Pirozzi's 29%.

# SPENDING BREAKDOWN

## 35<sup>th</sup> Assembly District 2004 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Bob Pohl (Rep)	\$436,996	\$457,904	\$894,900	51%
Pedro Nava (Dem)	\$865,290	\$347,878	\$1,213,168	29%
<b>TOTALS</b>	<b>\$1,302,286</b>	<b>\$805,782</b>	<b>\$2,108,068</b>	

- In this hotly contested 2004 general election for the open 35<sup>th</sup> Assembly District, significant “independent expenditures” were spent on behalf of both candidates.
- **JOBS PAC**, sponsored by the California Chamber of Commerce, spent **\$446,154** on “independent expenditures” benefiting the Republican nominee, Bob Pohl. That amount represented 97% of all the “independent expenditures” made on Pohl’s behalf.
- The Democratic candidate, Pedro Nava, benefited from large “independent expenditures” made by **Californians for a Better Future**, funded primarily by horseracing interests and labor unions, for **\$168,505**, and the **California Teachers Association/ Association for Better Citizenship** for **\$162,641**.
- Nava received 52.8% of the vote to Pohl’s 47.2%.



# SPENDING BREAKDOWN

## 43<sup>rd</sup> Assembly District 2006 Democratic Primary

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Frank Quintero	\$485,471	\$481,751	\$967,222	50%
Paul Krekorian	\$436,593	\$164,422	\$601,015	27%
<b>TOTALS</b>	<b>\$922,064</b>	<b>\$646,173</b>	<b>\$1,568,237</b>	

- The 2006 Democratic primary for the open 43<sup>rd</sup> Assembly District was between Paul Krekorian and Frank Quintero.
- Almost 94% of the “independent expenditures” on Krekorian’s behalf were made by Education Leaders Support Burbank School Board President Paul Krekorian, Sponsored by EdVoice, Inc., for \$154,262.
- The largest “independent expenditures” on behalf of Quintero were made by the California Correctional Peace Officers Association Independent Expenditure Committee for \$171,839, and the California Dental Association Independent Expenditure PAC for \$83,797.
- This is one of only a few legislative races where the candidate who raised more money and benefited from more “independent expenditures” did not win.
- Krekorian was outspent and benefited from far less in “independent expenditures,” but won 57.5% to 42.5%.

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## **THREE RACES WHERE “INDEPENDENT EXPENDITURES” MAY HAVE ASSURED VICTORY**

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**“INDEPENDENT EXPENDITURES” USUALLY ARE made in open contests, where the incumbent is not running for re-election. In the 2006 general elections, three incumbent members of the Assembly greatly benefited from “independent expenditures,” which may have made the difference in their re-elections.**

- ✓ **The 30th Assembly District 2006 general election between Assemblywoman Nicole Parra and retired California Highway Patrol Officer Danny Gilmore.**
- ✓ **The 78th Assembly District 2006 general election between Assemblywoman Shirley Horton and college professor Maxine Sherard.**
- ✓ **The 80th Assembly District 2006 general election between Assemblywoman Bonnie Garcia and former Assemblyman Steve Clute.**

# SPENDING BREAKDOWN

## 30<sup>th</sup> Assembly District 2006 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Nicole Parra (Dem)	\$1,979,033	\$1,255,378	\$3,234, 411	39%
Danny Gilmore (Rep)	\$918,159	\$17,755	\$935,914	2%
<b>TOTALS</b>	<b>\$2,897,192</b>	<b>\$1,273,133</b>	<b>\$4,170,325</b>	

- “Independent expenditures” benefiting Assemblywoman Nicole Parra totaled 70 times more than those benefiting Danny Gilmore.
- The largest “independent expenditures” for Parra were made by Team 2006, funded by Indian gaming tribes, for \$521,428, and California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$231,776.
- Parra won the election 51.6% to Gilmore’s 48.4%.

# SPENDING BREAKDOWN

## 78<sup>th</sup> Assembly District 2006 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Shirley Horton (Rep)	\$1,207,261	\$563,879	\$1,771,140	32%
Maxine Sherard (Dem)	\$1,264,954	\$51,665	\$1,316,619	4%
<b>TOTALS</b>	<b>\$2,472,215</b>	<b>\$615,544</b>	<b>\$3,087,759</b>	

- “Independent expenditures” benefiting Assemblywoman Shirley Horton totaled more than 10 times those benefiting Maxine Sherard.
- The largest “independent expenditures” benefiting Horton were made by Team 2006, sponsored by Indian gaming tribes, for \$281,846, and California Alliance for Progress and Education, funded by realtors, dentists and insurance companies, for \$146,379.
- Sherard outspent Horton in money raised under the Proposition 34 contribution limits.
- Horton won the election 50.9% to Sherard’s 45.9%.

# SPENDING BREAKDOWN

## 80<sup>th</sup> Assembly District 2006 General Election

CANDIDATE	TOTAL SPENT BY CAMPAIGN COMMITTEE	IE DOLLARS BENEFITING CANDIDATES	TOTAL SPENT ON CAMPAIGN	PERCENT OF CAMPAIGN SPENDING DONE BY IE COMMITTEE
Bonnie Garcia (Rep)	\$1,386,711	\$711,586	\$2,098,297	34%
Steve Clute (Dem)	\$1,800,031	\$1,331	\$1,801,362	Less than 1%
<b>TOTALS</b>	<b>\$3,186,742</b>	<b>\$712,917</b>	<b>\$3,899,659</b>	

- “Independent expenditures” benefiting Assemblywoman Bonnie Garcia totaled more than 534 times those benefiting Steve Clute.
- The largest “independent expenditures” benefiting Garcia were made by Team 2006, sponsored by Indian gaming tribes, for \$404,323, and the California Correctional Peace Officers Association Independent Expenditure Committee for \$165,000.
- Clute outspent Garcia in money raised under the Proposition 34 contribution limits.
- Garcia won the election 51.6% to 48.4%.



## HOW “INDEPENDENT EXPENDITURE” COMMITTEES MAKE A JOKE OUT OF CONTRIBUTION LIMITS

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THERE ARE NO LIMITS IMPOSED on “independent expenditure” committees. But what if “independent expenditure” committees were bound by the same limits as the candidates themselves? The results would be dramatic. The following analysis looks at how much the top 25 “independent expenditure” groups spent supporting candidates from 2001 through 2006 and how much that would have been reduced if they had to follow the regular contribution limits put in place by Proposition 34. By avoiding the contribution limits, these top 25 “independent expenditure” groups have funneled an additional \$61,705,919 into campaigns for state elective office.

**#1 CALIFORNIANS FOR A BETTER GOVERNMENT** spent \$9,855,582 on “independent expenditures” – all on behalf of one candidate Phil Angelides in the 2006 Democratic gubernatorial primary election. If the committee had to adhere to the same contribution levels as candidate committees, only one contribution of \$22,300 would have been permitted. The \$9,855,582 in “independent expenditures” for Angelides is 442 times the Proposition 34 contribution limit for a gubernatorial candidate in 2006.

**#2 ALLIANCE FOR A BETTER CALIFORNIA** spent \$5,245,109 supporting Phil Angelides and opposing Governor Schwarzenegger in the 2006 gubernatorial con-



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test. With limitations, the committee would have been able to spend only \$22,300. The \$5,245,109 in “independent expenditures” represents 235 times the Proposition 34 contribution limit for a gubernatorial candidate in 2006.

**#3 FIRST AMERICANS FOR A BETTER CALIFORNIA** spent \$4,256,754 in “independent expenditures” on behalf of Cruz Bustamante for Governor in the recall election in 2003. If the Proposition 34 limits applied, First Americans for a Better California would have been able to spend only \$21,200. The \$4,256,754 in “independent expenditures” represents 201 times the Proposition 34 contribution limit for a gubernatorial candidate in the 2003-04 election cycle.

**#4 JOBS PAC** spent \$3,900,501 on “independent expenditures” for 20 legislative races between 2001 and 2006. If limits applied to the committee, it would have been able to spend only \$63,600. The \$3,900,501 in “independent expenditures” represents 61 times the Proposition 34 contribution limits for legislative candidates in the three different election cycles from 2001 through 2006.

**#5 CALIFORNIA CORRECTIONAL PEACE OFFICER ASSOCIATION INDEPENDENT EXPENDITURE COMMITTEE** spent \$3,536,698 on “independent expenditures” supporting 31 legislative candidates from 2001 through 2006. If Proposition 34 limits applied to the committee, it would have been able to spend a total of \$99,300. The \$3,536,698 in “independent expenditures” represents 36 times the Proposition 34 contribution limits for legislative candidates in the three different election cycles since January 1, 2001.

**#6 THE MORONGO BAND OF MISSION INDIANS** spent \$3,378,853 on “independent expenditures” on behalf of four candidates since January 1, 2001. If the group had to adhere to Proposition 34 contribution limits, it would have been able to spend only a total of \$51,000. The \$3,378,853 in “independent expenditures” represents 66 times the Proposition 34 contribution limits in place for legislative and statewide candidates in the last three election cycles.

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**#7 STRENGTHENING OUR LIVES THROUGH EDUCATION, COMMUNITY ACTION AND CIVIC PARTICIPATION** spent \$3,306,944 on “independent expenditures” in the primary and general elections of 2006. The committee participated in six legislative and three statewide races. If the committee had to adhere to Proposition 34 limits, it would have been able to spend \$19,800 in the legislative races and \$33,500 in the statewide races for a grand total of \$53,300. The \$3,306,944 in “independent expenditures” represents 62 times the Proposition 34 contribution limits in place for legislative and statewide candidates in the 2006 elections.

**#8 TEAM 2006** spent \$3,093,391 on “independent expenditures” for eight legislative races and one statewide contest in the 2006 general elections. If Proposition 34 limits applied to the committee, it would have been able to spend only \$32,000. The \$3,093,391 in “independent expenditures” represents 97 times the Proposition 34 contribution limits for the 2006 election cycle.

**#9 THE ALLIANCE FOR PROGRESS AND EDUCATION** spent \$2,953,948 on “independent expenditures” for 12 legislative races in the 2006 elections. If Proposition 34 contribution limits applied to the committee, it would have been able to spend only \$39,600. The \$2,953,948 in “independent expenditures” represents 75 times the Proposition 34 contribution limits for legislative candidates in the 2006 elections.

**#10 WORKING CALIFORNIANS** spent a total of \$2,637,860 on “independent expenditures” in the 2006 general election. The committee participated in two statewide races – Phil Angelides for Governor and John Chiang for Controller. If the committee had to adhere to Proposition 34 contribution limits, it would have been able to spend only \$27,900. The \$2,637,860 in “independent expenditures” represents 95 times the Proposition 34 contribution limits for statewide candidates in the 2006 election.

**#11 OPPORTUNITY PAC** spent \$2,567,764 on “independent expenditures” for 12 legislative races in the 2001-02, 2003-04 and 2005-06 election cycles. If limits applied to the committee, it would have been able to spend only \$38,000. The \$2,567,764 in “independent expenditures” represents 68 times the Proposition 34

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contribution limits for legislative candidates in the three different election cycles from 2001 through 2006.

**#12 THE CALIFORNIA DENTAL ASSOCIATION** spent \$2,268,164 on “independent expenditures” for 25 legislative races between 2001 and 2006 from two different committees. If the committees had to adhere to the Proposition 34 limits, they would have been able to spend a total of \$80,000. The \$2,268,164 in “independent expenditures” represents 28 times the Proposition 34 contribution limits for legislative candidates in the three different election cycles from 2001 through 2006.

**#13 THE CALIFORNIA ALLIANCE** spent \$2,210,112 on “independent expenditures” for 18 legislative races in three election cycles. If the committee had to adhere to the Proposition 34 limits, it would have been able to spend a total of \$56,700. The \$2,210,112 in “independent expenditures” represents 39 times the Proposition 34 contribution limits for legislative candidates in the three different election cycles from 2001 through 2006.

**#14 CALIFORNIA REALTORS** spent \$2,155,617 on “independent expenditures” for 28 legislative races between 2001 and 2006. Those “independent expenditures” came from two different committees (California Real Estate Independent Expenditure Committee and the California Real Estate Political Action Committee). The two committees participated in separate races. There was no duplication of spending by the two committees. If the committees had to adhere to the Proposition 34 limits, they would have been able to spend a total of \$88,100. The \$2,155,617 in “independent expenditures” represents 24 times the Proposition 34 contribution limits for legislative candidates from 2001 through 2006.

**#15 THE ALLIANCE FOR CALIFORNIA’S TOMORROW** spent \$1,551,466 on “independent expenditures” for five legislative and two statewide races in the 2003-04 and 2005-06 election cycles. If the committee had to adhere to the Proposition 34 limits, it would have been able to spend a total of only \$27,500. The \$1,551,466 in “independent expenditures” represents 56 times the Proposition 34 limits for legislative and statewide candidates from 2003 through 2006.

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**#16 CALIFORNIANS FOR CIVIL JUSTICE REFORM PAC** spent \$1,525,979 on “independent expenditures” for eight legislative races in the 2001-02, 2003-04 and 2005-06 election cycles. If the committee had to adhere to the Proposition 34 limits, it would have been able to spend only \$25,800. The \$1,525,979 in “independent expenditures” represents 59 times the Proposition 34 contribution limits for legislative candidates in the three different election cycles.

**#17 TAXPAYERS FOR RESPONSIBLE GOVERNMENT** spent \$1,350,861 on “independent expenditures” and participated in only one race in 2006 – that of Lt. Governor, supporting John Garamendi. If the committee had to adhere to the Proposition 34 contribution limits, it would have been able to make one contribution of \$5,600. The \$1,350,861 in “independent expenditures” represents 241 times the Proposition 34 contribution limit for Lt. Governor in 2006.

**#18 CAUSE** spent \$1,184,030 on “independent expenditures” from 2001 through 2006 from two committees – California Union of Safety Employees PAC – Independent Expenditures and the CAUSE Law Enforcement Independent Expenditure Committee. The two committees participated in separate races. There was no duplication of spending by the two committees. CAUSE participated in 27 legislative races and two statewide races. If the committees had to adhere to the Proposition 34 contribution limits, they would have been able to spend \$97,600. The \$1,184,030 in “independent expenditures” represents more than 12 times the Proposition 34 contribution limits in the three different election cycles.

**#19 CALIFORNIANS UNITED** spent \$1,056,216 on “independent expenditures” on behalf of 13 legislative candidates between 2001 and 2006 and five statewide candidates in 2006. Under the Proposition 34 limits, the committee would have been able to spend only \$86,200. The \$1,056,216 in “independent expenditures” represents 12 times the Proposition 34 contribution limits for legislative and statewide candidates from 2001 through 2006.

**#20 PEACE OFFICERS RESEARCH ASSOCIATION OF CALIFORNIA** spent \$985,000 on “independent expenditures” in 73 legislative races from 2001 through 2006

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and nine statewide races, including Governor, in 2006. Under the Proposition 34 limits, the committee would have been able to spend \$321,900. The \$985,000 in “independent expenditures” represents three times the Proposition 34 contribution limits for legislative and statewide candidates in the last three election cycles.

**#21 COMMUNITY CIVIC PARTICIPATION PROJECT** spent \$980,888 on “independent expenditures” on behalf of only one candidate – Lt. Governor Cruz Bustamante in the 2003 gubernatorial recall election. Under the Proposition 34 limits, the committee would have been able to spend only \$21,200 on behalf of Bustamante. The \$980,888 in “independent expenditures” represents 46 times the Proposition 34 contribution limit for Governor in 2003.

**#22 CALIFORNIA STATE COUNCIL OF SERVICE EMPLOYEES POLITICAL COMMITTEE** spent \$883,418 on “independent expenditures” in three statewide races in the 2006 General Election. Under the Proposition 34 limits, the committee would have been able to spend a total of \$33,500. The \$883,418 in “independent expenditures” represents 26 times the Proposition 34 contribution limits for statewide elections in 2006.

**#23 MODERATE DEMOCRATS FOR CALIFORNIA** spent \$794,866 on “independent expenditures” participating in seven Democratic Assembly primary races in 2004. Under Proposition 34 limits, the committee would have been able to spend a total of only \$22,400. The \$794,866 in “independent expenditures” represents 35 times the Proposition 34 contribution limits for legislative candidates in 2004.

**#24 FAIR PUBLIC POLICY COALITION** spent \$779,724 between two committees in 2004 and 2006 on “independent expenditures.” The Fair Public Policy Coalition, A Committee of California Horse Racing Companies participated in six legislative races in 2004, while the Fair Public Policy Coalition, A Committee of Horse Racing Companies, including Bay Meadows Land Co., LLC and its Affiliates, participated in four legislative races and seven statewide races, including Governor, in 2006. There was no duplication of spending by the two

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committees. Under the Proposition 34 limits, the committee would have been able to spend only \$88,300. The \$779,724 in “independent expenditures” represents nine times the Proposition 34 contribution limits for legislative and state-wide candidates in 2004 and 2006.

#25 THE COOPERATIVE OF AMERICAN PHYSICIANS spent \$749,974 on “independent expenditures” participating in 17 legislative races in 2006 and seven legislative races in 2004. Under the Proposition 34 limits, the committee would have been able to spend only \$78,500. The \$749,974 in “independent expenditures” represents almost ten times the Proposition 34 contribution limits for legislative candidates in 2004 and 2006.



# CHART #3

## How "Independent Expenditure" Committees Make a Joke Out of Contribution Limits

"INDEPENDENT EXPENDITURE" COMMITTEE	IE SPENDING	STATEWIDE CANDIDATES SUPPORTED	LEGISLATIVE CANDIDATES SUPPORTED	IF PROP. 34 LIMITS APPLIED	OVER PROP. 34 LIMITS
Californians for a Better Government	\$9,855,582	1		\$22,300	\$9,833,282
Alliance for a Better California	\$5,245,109	1		\$22,300	\$5,222,809
First Americans for a Better California	\$4,256,754	1		\$21,200	\$4,235,554
JOBS PAC	\$3,900,501		20	\$63,600	\$3,836,901
CA Correctional Peace Officers Association	\$3,536,698		31	\$99,300	\$3,437,398
Morongo Band of Mission Indians	\$3,378,853	3	1	\$51,000	\$3,327,853
Strengthening Our Lives Through Education	\$3,306,944	3	6	\$53,300	\$3,253,644
Team 2006	\$3,093,391	1	8	\$32,000	\$3,061,391
California Alliance for Progress and Education	\$2,953,948		12	\$39,600	\$2,914,348
Working Californians	\$2,637,860	2		\$27,900	\$2,609,960
Opportunity PAC	\$2,567,764		12	\$38,000	\$2,529,764
California Dental Association	\$2,268,164		25	\$80,000	\$2,188,164
California Alliance	\$2,210,112		18	\$56,700	\$2,153,412
California Realtors	\$2,155,617		28	\$88,100	\$2,067,517
Alliance for California's Tomorrow	\$1,551,466	2	5	\$27,500	\$1,523,966
Californians for Civil Justice Reform	\$1,525,979		8	\$25,800	\$1,500,179
Taxpayers for Responsible Government	\$1,350,861	1		\$5,600	\$1,345,261
CAUSE	\$1,184,030	2	27	\$97,600	\$1,086,430
Californians United	\$1,056,216	5	13	\$86,200	\$970,016
Peace Officers Research Association. of California	\$985,000	9	73	\$321,900	\$663,100
Community Civic Participation	\$980,888	1		\$21,200	\$959,688
CA State Council of Service Employees	\$883,418	3		\$33,500	\$849,918
Moderate Democrats in California	\$794,866		7	\$22,400	\$772,466
Fair Public Policy	\$779,724	7	10	\$88,300	\$691,424
Co-Operative of American Physicians	\$749,974		24	\$78,500	\$671,474
<b>TOTAL</b>	<b>\$63,209,719</b>			<b>\$1,503,800</b>	<b>\$61,705,919</b>

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# MILLION DOLLAR BABIES

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FOR THE FIRST TIME EVER, “independent expenditures” benefiting an individual candidate exceeded \$1,000,000 in the 2006 elections. The seven candidates that fit in this category benefited from a total of \$31,871,978 in “independent expenditures.”

- Phil Angelides, California State Treasurer, benefited from \$19,591,905 in “independent expenditures” in his campaign for Governor in 2006.
  - ⇒ In the Democratic primary, there were \$10,015,643 in “independent expenditures” made on behalf of Angelides. The largest “independent expenditure” totaled \$9,855,582 from Californians for a Better Government, funded primarily by home builders and developers. Angelides won the Democratic nomination with 48% of the vote to Steve Westly’s 43.2%
  - ⇒ In the November general election, “independent expenditures” made on behalf of Angelides totaled \$9,576,262. The largest “independent expenditure” was made by Strengthening Our Lives Through Education, Community Action and Civic Participation, a coalition of labor organizations. Angelides lost to Arnold Schwarzenegger 39% to 55.9%.
- Board of Equalization Member John Chiang, the Democratic nominee in the 2006 Controller’s race, benefited from \$3,530,381 in “independent expenditures.” The largest “independent expenditure” — \$2,221,919 — was made by Working Californians, primarily funded by labor unions. Chiang beat his Republican opponent, Tony Strickland, 50.7% to 40.2%.

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- Former Assemblyman Tony Strickland, the Republican nominee in the 2006 Controller's race, benefited from "independent expenditures" totaling \$2,093,638. The largest "independent expenditure" was made by Alliance for California's Tomorrow, a coalition of business and labor interests, which totaled \$1,000,000. Strickland lost to the Democratic nominee, John Chiang, 40.2% to 50.7%.
  - Orange County Supervisor Lou Correa benefited from \$2,389,014 in independent expenditures in his campaign for the 34<sup>th</sup> Senate District in 2006.
    - ⇒ In the Democratic primary, there were \$1,142,053 in "independent expenditures" made on Correa's behalf. The largest "independent expenditure" was made by the California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$326,567. Another independent expenditure on Correa's behalf was made by Californians for Jobs and a Strong Economy, funded primarily by large business interests and insurance companies, for \$289,274. Correa won the Democratic primary over Tom Umberg 59.8% to 40.2%.
    - ⇒ In the November general election for the 34<sup>th</sup> Senate District, Correa benefited from \$1,246,961 in "independent expenditures." The California Alliance for Progress and Education once again provided the largest amount of "independent expenditures" on Correa's behalf at \$449,556. The California Real Estate Political Action Committee also spent \$214,449 on "independent expenditures" for Correa. Correa won with 50.3% of the vote to 48.9% for the Republican nominee, Lynn Daucher, and 0.8% for the Republican write-in candidate Otto Bade.
  - Former Assemblyman John Dutra benefited from \$1,778,336 in "independent expenditures" in the 2006 Democratic primary for the 10<sup>th</sup> Senate District. The largest "independent expenditure" was made by the California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies,

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which totaled \$711,314. “Independent expenditures” made on Dutra’ behalf by Californians for Civil Justice Reform PAC, funded by large business interests, including insurance companies and realtors, totaled \$576,654. In a three-way race, Dutra received 29.9% of the vote to Ellen Corbett’s 39.1% and Johan Klehs’ 31%.

- Assemblywoman Gloria Negrete-McLeod benefited from \$1,233,326 in “independent expenditures” in the 2006 Democratic primary for the 32<sup>nd</sup> Senate District. The largest “independent expenditure” was made by California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for \$278,845. Teachers United with Firefighters and Correctional Officers Independent Expenditure Committee also made an independent expenditure on behalf of Negrete-McLeod for a total of \$268,478. Negrete-McLeod defeated Joe Baca, Jr. 61.4% to 38.6%.
- Assemblywoman Nicole Parra benefited from \$1,255,378 in “independent expenditures” in the 2006 general election for the 30<sup>th</sup> Assembly District. The largest “independent expenditures” were made by Team 2006, sponsored by Indian gaming tribes, for a total of \$521,428, and California Alliance for Progress and Education, funded primarily by realtors, dentists and insurance companies, for a total of \$213,776. Parra beat her Republican opponent, Danny Gilmore, 51.6% to 48.4%.

In addition to the seven candidates, there were two campaigns where the candidates combined benefited from “independent expenditures” totaling more than \$1,000,000.

- In the 2006 Democratic primary in the 30<sup>th</sup> Senate District, “independent expenditures” on behalf of Assemblyman Ron Calderon and Assemblyman Rudy Bermudez totaled \$1,623,348, with \$905,571 spent on Calderon and \$717,777 spent on Bermudez. The largest “independent expenditure” on Calderon’s behalf was made by California Alliance for Progress and Education,

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funded primarily by realtors, dentists and insurance companies, for \$454,280.

The largest “independent expenditure” on behalf of Bermudez was made by the California Correctional Peace Officers Association Independent Expenditure Committee for \$352,507. In addition, the Minorities in Law Enforcement Independent Expenditure Committee, which received almost all of its funding from CCPOA, also made an “independent expenditure” for Bermudez totaling \$253,398. Calderon won the Democratic nomination over Bermudez 50.4% to 49.6%.

- In the 2006 Democratic primary in the 20<sup>th</sup> Senate District, “independent expenditures” on behalf of Los Angeles City Councilman Alex Padilla and Assemblywoman Cindy Montanez totaled \$1,028,489, with \$575,012 spent on behalf of Padilla and \$453,476 spent on behalf of Montanez. The largest “independent expenditures” on Padilla’s behalf were made by Education Leaders Support City Council President Alex Padilla, sponsored by EdVoice, Inc., for \$163,613, and Californians Allied for a Prosperous Economy, a coalition sponsored by the Civil Justice Association of California and the California Motor Car Dealers Association PAC, for \$122,790.

The biggest “independent expenditure” made on behalf of Montanez was made by Vota 100%, a sponsored committee of UNITE HERE! International Union, primarily funded by labor and some business interests, for \$259,365. In addition, the California Alliance, a coalition of consumer attorneys, conservationists and nurses, spent \$94,253 on “independent expenditures” to benefit Montanez. Padilla won the Democratic nomination over Montanez 55.8% to 44.2%.

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# PEELING THE ONION

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**THE FAIR POLITICAL PRACTICES COMMISSION WANTS to help ensure the public's right to know which interests are funding political campaigns. Full disclosure allows voters to make informed decisions before casting their ballots. Unfortunately, the system allows "independent expenditure" committees to shield the true identity of contributors, making it more difficult to determine who is actually supporting candidates. This section offers a few illustrations of how this can occur.**

## **EdVoice Independent Expenditure Committee (ID #1261580)**



**During the 2006 elections, EdVoice Independent Expenditure Committee created several new committees to support four candidates in contested legislative Democratic primary elections. The effect of creating these committees was to add extra layers to the onion, making it more difficult to uncover the actual contributors. The four committees were:**

- **Education Leaders Support City Council President Alex Padilla, Sponsored by EdVoice, Inc. (ID #1283843)**
  - **Alex Padilla won the Democratic primary in the open 20<sup>th</sup> Senate District with 55.7% of the vote.**
- **Education Leaders Support Fire Chief Bill McCammon, Sponsored by EdVoice, Inc. (ID #1283837)**

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- Mary Hayashi defeated Bill McCammon in the 18<sup>th</sup> Assembly District Democratic primary 51.2% to 48.8%.
  - Education Leaders Support Burbank School Board President Paul Krekorian, Sponsored by EdVoice, Inc. (ID #1283839)
    - Paul Krekorian won the Democratic primary in the open 43<sup>rd</sup> Assembly District with 57.5% of the vote.
  - Education Leaders Support Anthony Portantino for Assembly, Sponsored by EdVoice, Inc. (ID #1283845)
    - Anthony Portantino won the Democratic primary in the open 44<sup>th</sup> Assembly District with 42.7% of the vote.

Education Leaders Support City Council President Alex Padilla made \$163,613 in “independent expenditures” supporting Padilla’s campaign for the State Senate. Information from campaign reports shows \$80,000 from EdVoice Independent Expenditure Committee, \$100,000 from the Morongo Band of Mission Indians and \$49,900 from San Manuel Tribal Administration.

What is not revealed in this first layer of information is who provided the funding to EdVoice Independent Expenditure Committee, and exactly who are the “education leaders” supporting the candidate. To learn that information, one needs to peel away another layer, which shows that virtually all the money raised by the EdVoice Independent Expenditure Committee in the 2005-06 election cycle came in the form of large contributions from wealthy individuals.

### Secretary of State Record of Contributors to EdVoice Independent Expenditure Committee

CONTRIBUTOR	AMOUNT	EMPLOYER	OCCUPATION
Ann Bowers	\$94,700	Self-employed	Philanthropist
Lawrence Stupski	\$189,400	Self-employed	Investor
John Walton	\$94,700	True North Partners	Investor
Donald Fisher	\$189,400	Gap, Inc.	Chairman/CEO
R. B. Woolley, Jr.	\$189,400	Self-employed	Investor
Eli Broad	\$189,400	Sunamerica, Inc.	Chairman/President/CEO
William Cronk III	\$189,100		Retired
Reed Hastings	\$94,700	Nexflix.com	Chairman/CEO



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**Education Leaders Support Fire Chief Bill McCammon** spent \$213,600 on “independent expenditures” supporting McCammon’s campaign for the State Assembly. The committee received a total of \$300,000 — \$100,000 from Consumer Attorney Independent Campaign and \$200,000 from EdVoice Independent Expenditure Committee.

**Education Leaders Support Burbank School Board President Paul Krekorian** spent \$154,262 on “independent expenditures” Krekorian’s campaign for the State Assembly. The committee reported receiving \$183,000 in monetary contributions, of which \$63,000 came from the California Teachers Association/ Association for Better Citizenship and \$120,000 came from EdVoice Independent Expenditure Committee.

**Education Leaders Support Anthony Portantino for Assembly** spent \$114,853 on “independent expenditures” supporting Portantino’s campaign for the State Assembly. The committee reported receiving \$160,000 — \$125,000 from EdVoice Independent Expenditure Committee, \$25,000 from Californians for Jobs and a Strong Economy and \$10,000 from State Building and Construction Trades Council of California.

### **Alliance for California’s Tomorrow, A California Business and Labor Coalition (ID #1262979)**

In the 2006 general election, the Alliance for California’s Tomorrow made two “independent expenditures” totaling \$1,000,000 on behalf of former Assemblyman Tony Strickland, the Republican nominee in the Controller’s race. This was the only expenditure—independent or direct contribution—the committee made in the two months prior to the general election.

The committee reported cash on hand of \$71,548.92 as of June 30, 2006. Between July 1, 2006 and September 30, 2006, the committee reported receiving only one contribution of \$12,500 from the Recording Industry Association of America on July 25<sup>th</sup>. The cash on hand reported for the period ending September 30<sup>th</sup> was \$64,936.55.

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In the reporting period from October 1, 2006 through December 31, 2006, the Alliance for California's Tomorrow reported receiving two contributions — \$1,000,000 from Intuit on October 24<sup>th</sup> and \$50,000 from the Computer and Communications Industry Association on October 27<sup>th</sup>. (The Alliance also reported an increase to cash of \$1,901). On October 24<sup>th</sup>, the Alliance made one \$66,000 independent expenditure on Strickland's behalf, followed by an additional \$934,000 independent expenditure on October 26<sup>th</sup>. During that same reporting period, the committee reported regular expenses of \$51,470.41, leaving a cash on hand balance of \$65,367.14 as of December 31, 2006.

The maximum contribution under the Proposition 34 limits to a candidate running for a statewide office in 2006, other than Governor, was \$5,600. Intuit contributed \$5,600 directly to Strickland on October 16<sup>th</sup>. Another way for Intuit to assist Strickland in his election was to contribute money to an "independent expenditure" committee, which did not have to adhere to any limits. So, while Strickland's campaign report shows a \$5,600 contribution from Intuit, in reality, the monetary assistance to Strickland exceeded \$1,000,000. For the public to be aware of the total amount of Intuit's support of Strickland would have required at least one layer of the onion being peeled away.

Tony Strickland was defeated by the Democratic nominee John Chiang 50.7% to 40.2%.

### **Californians United (ID #1241102)**

The 2006 Democratic primary election for the open 34<sup>th</sup> Senate District was between Orange County Supervisor Lou Correa and Assemblyman Tom Umberg. Californians United, a committee of large business and labor interests, spent \$239,424 in "independent expenditures" benefiting Correa in that election. Of that amount, \$42,923 was spent on communications urging Correa's election and \$196,501 urging defeat of his opponent, Tom Umberg.

Additionally, Californians United transferred \$50,000 to a second committee called Golden State Leadership Fund. Golden State Leadership Fund then made "independent expenditures" supporting Correa totaling \$42,500.85.

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Correa won the primary, having benefited from \$281,924.85 of Californians United's money.

In the general election, Correa's Republican opponent was Assemblywoman Lynn Daucher. By mid-October, the race between Correa and Daucher was extremely close and clearly the hottest Senate election in the state.

Two weeks prior to the general election, a third candidate, a registered Republican named Otto Bade, entered the race as a write-in candidate.

In the weeks prior to the November 7<sup>th</sup> general election, Californians United made eight separate "independent expenditures" extolling Otto Bade to Republican voters as "the real Republican." These Californians United "independent expenditures" for Otto Bade totaled \$92,342 and constituted his entire campaign. Reports filed on-line with the Secretary of State indicate that Otto Bade is the only Republican ever supported by Californians United.

On October 20, 2006, Californians United transferred another \$50,000 to the Golden State Leadership Fund. Golden State Leadership Fund then made additional "independent expenditures" of \$49,720.83 benefiting Correa.

Finally, on November 2<sup>nd</sup>, Californians United made one last "independent expenditure" of \$30,750 urging the election of Correa.

Californians United spent a total of \$454,737.68 in the race for the 34<sup>th</sup> Senate District. The committee's unusual method of supporting of Lou Correa may have helped to assure his victory. Correa won with 50.3% of the vote, Lynn Daucher's 48.9% and Otto Bade's 0.8%.

### **California Correction Peace Officers Association (CCPOA) Independent Expenditure Committee (ID #902202)**

In the open 30<sup>th</sup> Senate District 2006 Democratic primary race, CCPOA was a strong supporter of Assemblyman Rudy Bermudez, who was running against Assemblyman Ron Calderon. The committee made a total of \$352,507 in

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**“independent expenditures” supporting Bermudez between May 12 and June 2, 2006.**

**On May 26, 2006, just 11 days prior to the primary election, CCPOA Independent Expenditure Committee contributed \$250,000 to Minorities in Law Enforcement Independent Expenditure Committee (MILE IEC, ID #1276821). On that same day, the committee made an “independent expenditure” supporting Bermudez for \$253,398.08. That was the only “independent expenditure” made by the Minorities in Law Enforcement Independent Expenditure Committee for all of 2006. The only contributions received by MILE IEC between January 1 and June 30, 2006, were the \$250,000 from the CCPOA Independent Expenditure Committee on May 26<sup>th</sup> and \$20,000 from Intuit on June 5<sup>th</sup>.**

**By contributing \$250,000 to MILE IEC for an “independent expenditure” for Bermudez, CCPOA added an extra layer to the onion. That made it more difficult for the public to know the true source of the money that was being used to benefit Rudy Bermudez.**

**California Real Estate Independent Expenditure  
Committee (ID #963026) and California Real Estate  
Political Action Committee (CREPAC) (ID #880106)**

**During the 2006 elections, the California Real Estate Independent Expenditure Committee made “independent expenditures” totaling \$559,564 for six legislative candidates. The committee further contributed an additional \$1,060,000 to other committees making “independent expenditures.” The vast majority (72%) of those contributions from the California Real Estate Independent Expenditure Committee went to the California Alliance for Progress and Education, primarily funded by realtors, dentists and insurance companies.**

**In the 2006 primary election cycle, the California Real Estate Independent Expenditure Committee made “independent expenditures” totaling \$196,812 in support of former Assemblyman John Dutra in the Democratic primary in the open 10<sup>th</sup> Senate District. At the same time, the California Alliance for Progress and Education spent \$686,280 on “independent expenditures” also benefiting Dutra.**

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**In another race, the California Real Estate Independent Expenditure Committee spent \$144,325 on “independent expenditures” to support former Assemblyman George Nakano in the Democratic primary in the open 28<sup>th</sup> Senate District. At the same time, the California Alliance for Progress and Education also made \$130,945 in “independent expenditures” benefiting Nakano.**

**During the 2006 general election, CREPAC spent \$214,449 on “independent expenditures” to support Orange County Supervisor Lou Correa in the open 34<sup>th</sup> Senate District. During the same period, the California Alliance for Progress and Education also made “independent expenditures” benefiting Correa, totaling \$457,556. Interestingly, in the month prior to these “independent expenditures,” CREPAC transferred \$450,000 to the Alliance.**

**Between their two committees, the realtors were the largest contributor to the Alliance for Progress and Education with contributions totaling \$1,210,000.**

**By contributing money to another “independent expenditure” committee, the realtors added extra layers to the onion, making it more difficult for the public to determine the true identity of those supporting or opposing candidates.**

**In the 2004 and 2006 election cycles, both of the realtors’ committees made contributions totaling \$2,304,300 to other committees making “independent expenditures” to benefit state candidates. That’s in addition to the \$2,155,617 in “independent expenditures” the realtors made through their committees to help elect state candidates. That brings the total amount spent on “independent expenditures” from 2001 through 2006 to \$4,459,917.**

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# RECOMMENDATIONS

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- #1 IDENTIFY AND MAKE ALL INDIVIDUALS WHO OPERATE “INDEPENDENT expenditure” committees responsible for committee’s compliance with the Political Reform Act. In addition to its treasurer, each committee is required by the Political Reform Act to identify its principal officers. Neither the Act nor the Commission regulations define the term “principal officer.” Defining that term will make clear who is responsible for operation of non-candidate controlled or sponsored committees, such as “independent expenditure” committees and, therefore, who in addition to the treasurer is responsible for the committee’s compliance with the Act.**
- #2 BAN “INDEPENDENT EXPENDITURES” UNTIL APPROPRIATE COMMITTEE names and committee treasurer/officer information are on file. Require the Secretary of State to reject the filing of a statement of organization for an “independent expenditure” committee if it fails to contain key information, such as the appropriate committee name and the identities of and contact information for the committee’s treasurer and principal officers. Make clear that the committee cannot make additional expenditures until the appropriate information has been filed, including when an amendment is necessary to update the information.**
- #3 EXPLORE REQUIRING DISCLOSURE OF NAMES OR ECONOMIC INTERESTS OF major committee contributors in mass mailings and advertisements of all committees making “independent expenditures.” Include requirement that major committee contributors be arranged in order from highest to lowest.**
- #4 MAKE MORE READABLE THE CONTRIBUTOR INFORMATION “INDEPENDENT expenditure” committees are required to disclose in advertisements. Set**

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**forth specific requirements enhancing the readability of the information required in “independent expenditure” advertisements, such as the committee’s name, including a description of the economic or special interest of their contributors of \$50,000 or more, and the names of their two largest contributors of \$50,000 or more.**

**#5 EXPLORE REQUIRING THE ELECTRONIC FILING OF STATEMENTS OF Organization by “independent expenditure” committees.**

# APPENDIX A

## Contribution Limits

CONTRIBUTION LIMITS FOR MEMBERS OF THE LEGISLATURE			
Contributor	1/1/2001 to 12/31/2002 Election Cycle <sup>1</sup>	1/1/2003 to 12/31/2004 Election Cycle	1/1/2005 to 12/31/2006 Election Cycle
Person	\$3,000	\$3,200	\$3,300
Small Contributor Committee	\$6,000	\$6,400	\$6,700

CONTRIBUTION LIMITS FOR STATEWIDE ELECTED OFFICERS			
Contributor	1/1/2001 to 12/31/2002 Election Cycle <sup>2</sup>	1/1/2003 to 12/31/2004 Election Cycle	1/1/2005 to 12/31/2006 Election Cycle
Person	\$5,000	\$5,300	\$5,600
Small Contributor Committee	\$10,000	\$10,600	\$11,100

CONTRIBUTION LIMITS FOR GOVERNOR			
Contributor	1/1/2001 to 12/31/2002 Election Cycle <sup>3</sup>	01/01/2003 to 12/31/2004 Election Cycle	01/01/2005 to 12/31/2006 Election Cycle
Person	\$20,000	\$21,200	\$22,300
Small Contributor Committee	\$20,000	\$21,200	\$22,300

<sup>1</sup> Proposition 34 contribution limits took effect on 1/1/2001 for legislators.

<sup>2</sup> Proposition 34 contribution limits took effect on 11/06/2002 for statewide elected officers.

<sup>3</sup> Proposition 34 contribution limits took effect on 11/06/2002 for Governor.



# APPENDIX B

## The 10 Fattest Cats

LARGEST CONTRIBUTORS	AMOUNT	CONTRIBUTIONS TO THE TOP 25 “IE” COMMITTEES AND TRANSFERS TO OTHER “IE” COMMITTEES	AMOUNT	YEAR
#1 Pechanga Band of Luiseno Indians (ID #498071)	\$6,832,600	First Americans for a Better California	\$5,382,600	2003
		Team 2006	\$800,000	2006
		Native Americans and Peace Officer Independent Expenditure Committee	\$540,000	2001-2004
		<i>Direct Candidate Independent Expenditures:</i>		
		Support Tom Harman for State Senate	\$75,000	2006
		Support Dennis Hollingsworth for State Senate	\$35,000	2002
#2 Angelo K. Tsakopoulos (ID #483152)	\$6,130,000	Californians for a Better Government	\$6,130,000	2006
#3 California Teachers Association/ Association for Better Citizenship (ID #741941)	\$5,937,689	Alliance for a Better California	\$2,750,000	2006
		Californians for a Better Government	\$950,000	2006
		Opportunity PAC	\$315,000	2004
		Opportunity PAC	\$300,000	2006
		Taxpayers for Responsible Government	\$150,000	2006
		Working Californians	\$125,000	2006
		Strengthening Our Lives Through Education	\$100,000	2006
		Opportunity PAC	\$100,000	2002
		Opportunity PAC	\$50,000	2001
		Teachers United with Firefighters and Correctional Officers	\$410,000	2006
		Education Leaders Support Burbank School Board President Paul Krekorian	\$58,000	2006
		Public Safety Officers, School Employees and Professional Engineers for Chiang	\$25,000	2006
		Californians United	\$25,000	2002
		Californians for a Better Future	\$25,000	2004
		<i>Direct Candidate Independent Expenditures:</i>		
		35th Assembly District: Support Pedro Nava/Oppose Bob Pohl	\$162,640	2004
		54th Assembly District: Support Betty Karnette/Oppose Steve Kuykendall	\$125,757	2004
		61st Assembly District: Support Gloria Negrete-McLeod	\$101,292	2004
		76th Assembly District: Support Heidi Von Sziliski	\$100,000	2004
		11th Senate District: Support Joe Simitian	\$40,000	2004
		Governor Race: Support Cruz Bustamante	\$25,000	2003

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## The 10 Fattest Cats

LARGEST CONTRIBUTORS	AMOUNT	CONTRIBUTIONS TO THE TOP 25 "IE" COMMITTEES AND TRANSFERS TO OTHER "IE" COMMITTEES	AMOUNT	YEAR
#4 CA State Council of Service Employees Political Committee (ID #1258324)	\$4,498,418	Alliance for a Better California	\$1,000,000	2006
		Strengthening Our Lives Through Education	\$1,330,000	2006
		Community Civic Participation	\$835,000	2003
		Working Californians	\$300,000	2006
		Opportunity PAC	\$100,000	2004
		Alliance for a Better California	\$25,000	2006
		Californians United for Karnette	\$25,000	2004
		<i>Direct Candidate Independent Expenditures:</i>		
		Support Phil Angelides for Governor	\$736,906	2006
		Support John Chiang for Controller	\$73,256	2006
		Support John Garamendi for Lt. Governor	\$73,256	2006
#5 CCPOA	\$4,616,198	CCPOA Independent Expenditure Committee	\$3,536,698	2001-2006
		Teachers United with Firefighters and Correctional Officers	\$674,500	2006
		Minorities in Law Enforcement	\$250,000	2006
		Crime Victims United	\$155,000	2006
#6 Morongo Band of Mission Indians Native American Rights PAC (ID #494203)	\$3,438,853	Morongo Band of Mission Indians	\$3,378,853	2001-2006
		Californians United	\$50,000	2003
		Californians United	\$10,000	2004
#7 CA State Council of Service Employees Small Contributor Committee (ID #831628)	\$3,440,258	Opportunity PAC	\$1,280,000	2001-2006
		Strengthening Our Lives Through Education	\$1,100,000	2006
		CA State Council of Service Employees	\$477,000	2006
		CA State Council of Service Employees	\$229,150	2003-2004
		Californians United	\$25,000	2002
		<i>Direct Candidate Independent Expenditures:</i>		
		Support Phil Angelides for Governor	\$288,170	2006
		Support John Garamendi for Lt. Governor	\$6,717	2006
		Support Debra Bowen for Secretary of State	\$4,584	2006
		Support Bill Lockyer for Treasurer	\$4,584	2006
		Support John Chiang for Controller	\$6,717	2006
		Support Jerry Brown for Attorney General	\$4,584	2006
		Support Cruz Bustamante for Insurance Commissioner	\$4,584	2006
		Support Betty Yee for Board of Equalization	\$4,584	2006
		Support Judy Chu for Board of Equalization	\$4,584	2006

# APPENDIX B

## The 10 Fattest Cats

LARGEST CONTRIBUTORS	AMOUNT	CONTRIBUTIONS TO THE TOP 25 "IE" COMMITTEES AND TRANSFERS TO OTHER "IE" COMMITTEES	AMOUNT	YEAR
#8 Eleni Tsakopoulos-Kounalakis (ID #494169)	\$2,570,000	Californians for a Better Government	\$2,570,000	2006
#9 Service Employees International Union Local 1000 Candidate PAC (ID #1273063)	\$2,425,289	Alliance for a Better California	\$1,000,000	2006
		Strengthening Our Lives Through Education	\$540,000	2006
		Working Californians	\$400,000	2006
		Taxpayers for Responsible Government	\$200,000	2006
		Opportunity PAC	\$130,000	2006
		Vote 100%, A Sponsored Committee of Unite HERE! International Union	\$20,000	2006
		Public Safety Officers, School Employees and Professional Engineers for Chiang	\$25,000	2006
		Consumers for Responsible Government	\$25,000	2006
		Citizens for Quality Representation	\$10,000	2006
		Support Phil Angelides for Governor	\$75,289	2006
#10 Consumer Attorneys Independent Campaign (ID #962871)	\$2,453,898	California Alliance	\$1,708,321	2006
		Opportunity PAC	\$25,000	2004
		Nurses and Concerned Lawyers for Quality Health Care	\$207,000	2002
		Firefighters, Teachers, Nurses and Consumer Attorneys	\$96,000	2004
		Opportunity PAC	\$25,000	2004
		Californians United for Karnette	\$25,000	2004
		<i>Direct Candidate Independent Expenditures:</i>		
		20th Assembly District: Support Dennis Hayashi	\$215,427	2004
		47th Assembly District: Support Nate Holden	\$142,294	2004
		23rd Assembly District: Support Kathy Chaves Napoli	\$9,856	2004
<b>TOTAL</b>	<b>\$42,343,203</b>			